

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 1384 – SB 1878**

March 21, 2012

**SUMMARY OF AMENDMENT (013824):** Deletes all language after the enacting clause. Amends the Uniform Administrative Procedures Act (UAPA) to require all new fees and fee increases created by state agencies through a UAPA rule to take effect on the July 1st following expiration of the 90 days as provided in Tenn. Code Ann. § 4-5-207. This provision will not apply to rules that implement new fees or fee increases that are promulgated as emergency rules or to subsequent rules that make permanent the provisions of such emergency rules, as amended during the rulemaking process. This provision similarly will not apply to state agencies that did not, during the preceding two fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission, or entity in accordance with Tenn. Code Ann. § 4-29-121(b).

**FISCAL IMPACT OF ORIGINAL BILL:**

Decrease State Revenue – \$7,000,000/One-Time/Environmental Protection Fund

Other Fiscal Impact – The state may forgo unknown amounts of fee revenue depending upon the timing of the promulgation of rules relative to the July 1 effective date.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**NOT SIGNIFICANT**

Assumptions applied to amendment:


- The bill will become effective on July 1, 2013, and will apply to any rule involving fees filed after that date.
- Currently, UAPA states that all rules, except emergency rules, are effective 90 days after they are filed with the Secretary of State's office, and expire on June 30 following the year in which they were filed, unless the General Assembly passes a law making them permanent. Emergency rules are effective immediately after an Attorney General's review without a 90-day waiting period.

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- Delaying the effective date until July 1, 2013, will give the Department of Commerce and Insurance and the Department of Health an additional year to establish or change fees for any of its programs. After July 1, 2013, any new fees and fee increases created by state agencies through the promulgation of a rule will take effect on the July 1st following the date of filing with the Secretary of State.
- For purposes of this estimate, it is assumed that the regulatory boards attached to the Department of Commerce and Insurance and the health related boards attached to the Department of Health will project budgetary needs at least one year in advance to meet the self-sufficiency requirement. Any increase in state expenditures to perform these projections will be not significant. There will be no increase in personnel or a reduction in other budget items.
- According to the Department of Environment and Conservation, this change will not have a significant fiscal impact on the department.

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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